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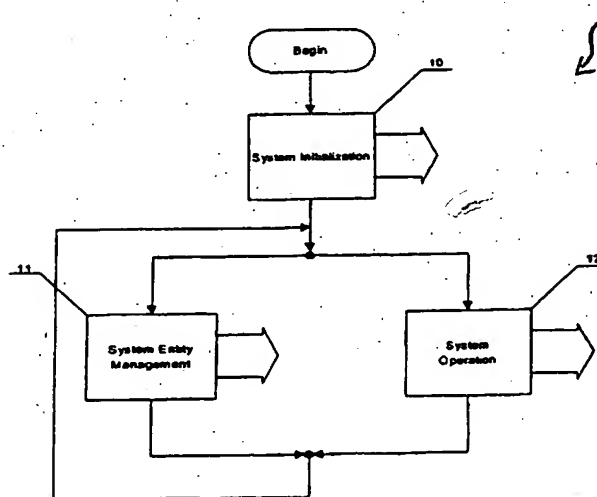
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(54) Title: SYSTEM AND METHOD FOR SECURE ELECTRONIC DIGITAL RIGHTS MANAGEMENT, SECURE TRANSACTION MANAGEMENT AND CONTENT DISTRIBUTION



(57) Abstract: A system (5) and a method for secure electronic rights and transaction management and content distribution. The system (5) ensures that content can be used by the user only if an appropriate license has been obtained. Content owners prepare content for release in the system (5) and make it available in electronic or physical form. Prior to purchase of the license, the user sends an offer request to the system (5). The system (5) replies by providing all possible offers or selected offers based on predefined criteria through which the license can be purchased. Each offer represents a path from the content owner to the terminal. By selecting one path, the user initiates the license request process. Upon execution of the transaction, the license is securely stored within the user's personal license management device. The user's personal usage device communicates with the user's license management device so that only licensed content can be used.

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For two-letter codes and other abbreviations, refer to the "Guidance Notes on Codes and Abbreviations" appearing at the beginning of each regular issue of the PCT Gazette.

AMENDED CLAIMS

[received by the International Bureau on 28 June 2001 (28.06.01);
original claims 1, 15 and 17 amended; remaining claims unchanged (4 pages)]

1. A system for secure electronics rights management, secure transaction management and secure content distribution comprising:
 - a. a card means for storing personal license information of a user in encrypted form;
 - 5 b. a remote storage means for storing content in encrypted form; said encryption designed to ensure that said content on said remote storage means can be experienced only by said user;
 - c. a terminal means for downloading said personal license information to said card means upon request and payment from said user;
 - 10 d. a playback means for accepting said card means and said remote storage means, and allowing said user to experience said content in accordance with the terms of said personal license; and
 - e. a secure transaction server means for: securely receiving said content from a distributor, securely storing said content, securely accepting said request and said payment via said terminal means, distributing said content to said user for experience via said playback means, managing said personal license information, and securely downloading said personal license information to said card means via said terminal means.
2. A system as claimed in claim 1 in which said distributor is the owner of said content.
- 5 3. A system as claimed in claim 1 in which said card means contains a microchip.
4. A system as claimed in claim 1 in which said remote storage means is a compact disk (CD).
- 10

5. A system as claimed in claim 1 in which said remote storage means is a memory card.
6. A system as claimed in claim 1 in which said remote storage means is a digital video disk (DVD).
7. A system as claimed in claim 1 in which said remote storage means is a hard drive.
8. A system as claimed in claim 1 in which said terminal means is a PC, attached to the Internet and with and attached reader/writer for said card means.
9. A system as claimed in claim 1 further including a memorizing means for memorizing experienced but unlicensed content for future license; said memorizing means being incorporated in said playback means.
10. A system as claimed in claim 1 in which said playback means is a radio.
11. A system as claimed in claim 1 in which said playback means is a television.
12. A system as claimed in claim 1 in which said playback means is a portable music player.
13. A system as claimed in claim 1 in which said playback means is a television signal decoder (set top box).
14. A system as claimed in claim 1 in which said playback means is a cellular phone.

15. A method for secure electronics rights management, secure transaction management and secure content distribution comprising the steps of:
- a. providing a memory card with embedded microchip adapted for storing personal license information of a user in encrypted form;
 - 5 b. providing a storage medium for storing content in encrypted form;
 - c. providing a terminal for downloading said personal license information to said memory card upon request and payment from said user;
 - d. providing a playback device adapted for accepting said memory card and said storage medium, and playing back said content in accordance with the terms of said personal license;
 - 10 e. providing a secure transaction server;
 - f. securely receiving said content from a content provider to said secure transaction server;
 - g. securely storing said content on said transaction server;
 - 15 h. securely accepting said request and said payment via said terminal at said secure transaction server;
 - i. distributing said content to said user from said secure transaction server encrypted so that said content can only be experienced by said user on said playback device;
 - 20 j. managing said personal license information in said secure transaction server; and
 - k. securely downloading said personal license information from said secure transaction server to said memory card via said terminal.
16. A method as claimed in claim 15 further comprising the step of preprocessing said content by:
- a. generating a unique content identifier;
 - b. generating a first data structure (FAT_HEADER) containing information about said content;
 - 5 c. generating a second data structure (DIST_HEADER) containing information about distribution of said content;

- d. incorporating said unique content identifier, said first data structure and said second data structure into said content; and
 - e. optionally encoding said content.
- 17. A method as claimed in claim 15 in which the step of providing a terminal further comprises the steps of:
 - a. providing a reader/writer for said memory card;
 - 5 b. attaching said reader/writer to a PC, attached to the Internet; and
 - c. providing said PC with software for communication with said secure transaction server.
- 10 18. A method as claimed in claim 15 further comprising the step of providing a memorizing means for memorizing experienced but unlicensed content for future license; said memorizing means being incorporated in said playback device.
- 15 19. A method as claimed in claim 15 in which the step of distributing is accomplished via the Internet.
- 20. A method as claimed in claim 15 in which the step of distributing further comprises the steps of:
 - a. storing said content on an appropriate storage medium; and
 - 20 b. mailing said storage medium to said user.

STATEMENT UNDER ARTICLE 19 (1)

Claims 1, 15 and 17 have been amended as follows, in which additions are indicated by underlining and deletions by square brackets:

1. A system for secure electronics rights management ... ,
 - e. a secure transaction server means for: securely receiving said content from a distributor, securely storing said content, securely accepting said request and said payment via said terminal means, distributing said content to said user for experience via said playback means, managing said personal license information, and securely downloading said personal license information to said card means via said terminal means.
15. A method for secure electronics rights management ...
 - h. securely accepting said request and said payment via said terminal at articulated secure transaction server;
 - i. distributing said content to said user from said secure transaction server encrypted so that said content can only be experienced by said user on said playback device;

j. managing ...

17. A method as claimed in claim 15 in which the step of providing a terminal further comprises the steps of:
- a. providing a reader/writer for said memory card; [and]
 - b. attaching said reader/writer to a PC, attached to the Internet; and
 - c. providing said PC with software for communication with said secure transaction server.

In the International Search Report, the Authorized Officer stated that the claimed invention cannot be considered to involve an inventive step in view of cited portions of US Patents Nos. 5,666,412, 5,677,955 and 5,991,402. In other words it is the Officer's opinion that this invention is obvious in view of the prior art.

In order to make an obviousness rejection every element of the invention must be disclosed in the prior art. Furthermore, there must be some suggestion in the prior art to make the combination articulated by the Officer. Among the reasons for this is that patents on improvements to existing inventions are allowed.

It is respectfully submitted that the cited prior art does not disclose every element of this invention. Therefore the Officer's opinion is, at the outset, fatally flawed. For this reason amendments to overcome this opinion are not being submitted. However, it was felt that small amendments clarifying this invention were needed.

In general, what is new in this invention is not the concept of using smart cards to enforce rights management; the core of the invention is the concept of transactions, licenses and their linking with content and distribution, with smart cards as a tool.